The A. F. of L. Weekly News Service gives a brief summary of important matters affecting labor, occurring in the industrial, legislative and judicial fields, and such other information that will benefit the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

Entered as second-class matter September 26, 1912, at the Post Office at Washington, D. C., under the Act of August 24, 1912. Acceptance for mailing at special rate of postage provided for in Sec. 1103, Act of October 3, 1917, authorized July 11, 1918.

Those we call the ancients were really new in everything. —Pascal.

WHOLE NO. 1048. WILLIAM GREEN, President WASHINGTON, D. C., SATURDAY, MAY 9, 1931 FRANK MORRISON, Secretary VOL. 21, NO. 9.

LESSENED OUTPUT WILL NOT END UNEMPLOYMENT

A national plan whereby every unit of industry will ascertain annual consumption and then divide its output over the year, was favored by the recent convention of the Chamber of Commerce of the United States. This is called "budgeting production."

The plan is based, we are told, on voluntary action by employers without government interference.

This does not exclude government or State aid, such as is now happening in the oil industry.

Subsidies to private shipowners and airplanes is another illustration of the difference between "government interference" and government aid, as understood by these business men.

Soviet Russia, it is pointed out, plans its production. In Russia, however, the objective is unlimited output, enforced by rifle squads. In our country the objective would be avoidance of excess output.

We are not living in a static society. Industries and production are being revolutionized by inventive genius.

The unemployed army is being constantly recruited as new processes are installed.

Manufacturers who have a commodity monopoly, such as a certain soap, or a kodak, can budget output to approximate consumption, but is this possible in a highly competitive industry?

Can the output of textiles, for instance, be estimated when rayon strives to capture this market?

Every industry has an excessive plant capacity that is "eating its head off" by taxes, maintenance charges and frozen investments.

Three years ago, when the United States was at the peak of its buying power, George Otis Smith, then director of the United States Geological Survey, declared that the country was "overengined."

The engineer, be he civil, mechanical, electrical or mining, "has done his work too well," said Mr. Smith.

There is no abatement in the work of these scientists. The employed worker is certain of his position. Laboratories are being extended. Engineers and scientists are more numerous and able.

It may be said that when the budget plan is installed unemployed workers will be cared for by employers' "unemployment reserves," or boss-controlled unemployment insurance.

That system will apply to workers temporarily laid off, not to those who have been permanently released, who have been discharged.

The budget scheme, in short, would standardize production and assure steady employment to a certain percentage of wage earners—until the machine affects them.

Assuming that this scheme were possible by employers co-operating to an extent heretofore undreamed of, the millions of unemployed would remain a problem. Their numbers would increase through the elimination of every possible waste and the continuous installation of new production devices.

No plan is depression-proof that ignores the army of unemployed. These millions of workers are a tax on society, a danger to existing orders and a menace to living conditions of those employed.

Any plan that ignores the depression-cause is of temporary benefit to employers who would provide a cushion for the next industrial collapse that their present policies make certain.

RICH SUGAR BEET BARONS ENFORCE WAGE REDUCTION

Washington, May 9.—Wage reductions in the Colorado sugar beet industry is creating an appalling situation, says Thomas F. Mahoney of Longmont, Col., writing to Wm. Green, president A. F. of L.

Mr. Mahoney is chairman of a Knights of Columbus committee that has been investigating conditions in this industry.

"The big reason for the slash is unemployment conditions," said Mr. Mahoney. "It is expected that the unemployed and destitute in the cities will go out on the ranches and work at any wage and under any conditions."

There are more than 30,000 men, women and children who do hand labor in the beet fields. Wages, prior to the reduction, were so low that private charity and welfare agencies supported these migratory workers during the winter months.

Entire families are employed in the beet fields. This is an application of the sweat shop system in industry to industrialized agriculture, said Mr. Mahoney.

"Under this system the sugar industry is able to escape responsibility and blame for the wholesale evasion of our Colorado compulsory school laws and child labor laws by claiming the children are employed by their parents who need the help of the child to support the family."

The Great Western Sugar Company dominates this industry. The company, in 1905, sold $13,690,000 of preferred stock and presented these stockholders with $15,000,000 of common stock. Six factories were purchased. With this nucleus more than $93,000,000 has been paid in dividends.

Mr. Mahoney shows that in addition $88,000,000 have been placed in assets, making a total profit of more than $181,000,000 on the original investment of $13,600,000.

This company has an immense cash surplus and its exploited workers are now called upon to accept still lower wages because their jobs can be taken by unemployed who are located in industrial centers.

"LABOR CHEAPER THAN EVER:" PRODUCE MORE, RECEIVE LESS

Washington, May 9.—"Business is too prone to measure wages by the cost of living instead of productive capacity," says the Washington Post in a leading editorial entitled, "Labor Cheaper Than Ever." The worker, on the basis of present productive capacity, it is stated, is paid less wages than he received a generation ago.

"If labor is paid according to last year's standard of living and produces according to this year's improved methods, overproduction and consequent economic derangement can not be avoided," says the editor. "Analysis of the tendency of wages to lag behind productive capacity during recent decades leads to the inescapable conclusion that wages are not too high and that their present level should be maintained."

The Post discusses a report by the American section of the International Chamber of Commerce which shows that wages during the last three decades has not kept pace with output.

"While manufacturers have been doubling and trebling their output, they have expanded their payrolls at a year's slower rate. Machinery has made labor more efficient. One man produces several times as much as he did 30 years ago. Allowance must be made, of course, for the added cost of machinery to the manufacturers. But even when that is taken into consideration, it is very evident that a year's work at $1,300 was a better bargain for the manufacturer in 1927 than was a year's work in 1899 at $626.

"On the basis of productive capacity workingmen are actually receiving a smaller percentage of the wealth which they help to produce than they were receiving at the beginning of the century."

AFL BUSINESS REVIEW SEES HOPEFUL OUTLOOK

Washington, May 9.—"Business is showing more resistance to depression forces," says the Monthly Survey of Business, issued by the A. F. of L.

"The spring season even brought a slight advance and for the first time since the decline began in July, 1929, indexes of business activity have risen for two months in succession," it is stated. "The gains are too small to signal the start of revival, but they at least show that the decline has been checked for another month."

The Bulletin cites these retarding influences: The building industry not ready to start freely, orders declining because its best customers—construction, automobiles and railroads—are not taking large orders. Prices are still going down; the stock market declining. Purchasing power of farmers and wage earners is low and wage cuts threaten.

Constructive factors are: The textile industry has already started up. Demand for automobiles has increased and the industry is slowly enlarging production. Factories and mines are producing more than the public consumes so that supplies must eventually be used up and production must increase before long. Business has abandoned some of its speculative undertakings and unsound practices and should be in a good position to go ahead. These are fundamental changes for the better.

The Bulletin says there are still out of work, or on layoff, "probably between 5,500,000 and 6,000,000 wage earners." Attention is made to the plea of bankers for wage cuts. This policy, the Bulletin declares, is dangerous.

WOULD ORIENTALIZE WEST COAST

The business depression is reviving agitation to place Japanese under the immigration quota law. We are told that this will help our export trade.

But "a few hundred" Japanese, it is claimed, will be admitted and this will not result in "any great overthrow of the English-speaking race."

The plea that Japan is "insulted" by exclusion ignores the fact that the Orientals—Koreans, Chinese, Lascars and Hindus—are also debarred.

The American people decline to be Orientalized. This would not happen within the next few years, but if the bars are let down, future generations will face new race problems.

Trade unionists were ridiculed 40 years ago when they urged Chinese exclusion. Chinese labor was cheap in those days. But the Orientals enlarged their scope. They challenged not only living standards of workers, but they began to compete with business men and agriculturalists.

This was different. Pacific States now deny Orientals the right to even own or lease land.

An Orientalized West Coast is a terrific cost to pay for a few million dollars that Japanese may spend in this country.

Our civilization can not be jeopardized by sob appeals of dividend seekers.

COLORADO AND OHIO OUST "YELLOW DOG"

Denver, May 9.—Governor Adams signed a bill that outlaws the "yellow dog." The measure originated in the House and was later approved by the Senate.

Columbus, Ohio, May 9.—Organized labor won its long fight against the "yellow dog" when Governor White signed a bill that outlaws this alleged contract.

SHORTER WORK WEEK HAS ECONOMIC VALUE

Washington, May 9.—"The five-day week would be of vast economic value, as billions of dollars would be placed in circulation," said Ethelbert Stewart, commissioner United States Bureau of Labor Statistics, in discussing shorter working time.

"There are 19,000,000 wage earners in the country and there are many industries which could adopt the five-day week without the slightest inconvenience, much less upheaval," said the statistician.

"Many industries and many establishments have already taken up the shorter working week and found it practical. The business depression has given momentum to the movement toward a five day week, which was already fairly well established. Like every industrial change it is found in spots."

Mr. Stewart said that the transportation industry would benefit, probably in all its phases with a week-end embracing two full days instead of only one day or a day and a half. He cited the increased use of gasoline as an effect of the change.

"If idle cars, approximately 26,000,000 car owners would use only two gallons more of gasoline per week because of their longer period of leisure," he said, "they would spend some $200,000,000 for this additional motor fuel in a year."

POPULAR RULE IS HIT BY ILLINOIS DECISION

Springfield Ill., May 9.—The State Supreme Court has dispelled the popular illusion that the people have the right, under the State Constitution, to pass laws by the referendum method.

The court held that only the Legislature is empowered to enact-laws and that it can not delegate that authority to the people.

The decision was made in upsetting a referendum law, passed last November, which permits women to be members of juries.

"The General Assembly did not pass a law declaring that women should be jurors," the court said. "It abdicated its authority for the time being and passed the responsibility to the people.

"There is no reason to suppose the General Assembly would have passed the bill with provision for a referendum omitted.

"We hold the General Assembly is the sole depository of legislative power of the State; that it has no power to delegate its general legislative power and may not offer a general act of legislation as a vote of the people to decide whether it shall have effect as law; that the rule against delegation of legislative power is not violated by vesting in municipal corporations certain powers of legislation on subjects of purely local concern."

BUSINESS IS HELPLESS FOR DEPRESSION CURE

Washington, May 9.—Organized labor is confident that its program of high purchasing power and shorter hours will start America on the road to the depression.

Business men refuse to accept this plan, but offer no alternative. Their confusion was shown at the recent convention of the Chamber of Commerce of the United States, as was recalled by Ambassador Davila of Chile in an address to the International Chamber of Commerce convention in this city.

"A short time ago," said Senor Davila, "I had the pleasure of conversing with one of the most reputed leaders of European industry and finance. After analyzing the world situation, I asked him what might be his solution if he were given dictatorial powers over the production and business of the world.

"He answered with strange sincerity, 'I don't know,' and added of his own initiative: 'I have no patience with those who continually attack statesmen and governments for their action or inaction in the face of the crisis. The truth is, that when they come to us for advice, we have none to give them.'"

Senor Davila, in explaining how the depression started in America, said that imports of American automobiles to his country dropped 90 per cent during the first three months of 1931, as compared with the first quarter of 1929. The drop was 83 per cent throughout the Southern Republics, said the Chilean diplomat.

GREEN WON'T RESIGN; NO BASIS FOR STORY

Washington, May 9.—"There is no truth in the statement that I intend to resign," said Wm. Green, president A. F. of L.

"I have not been and do not at any time hope to be a candidate for president of the A. F. of L.," said Matthew Woll, third vice president A. F. of L.

These statements, issued simultaneously by the two unionists, were in answer to a story printed in a local newspaper that President Green will resign and that "Matthew Woll Clubs" are being organized in Eastern cities to secure the election of the third vice president.

President Green said there is no basis for the story.

Mr. Woll is president of the Union Labor Life Insurance Company. He indicated against the story that is reposed in him by the national and international unions and the A. F. of L.

PERIODIC PAY RAISES DENIED FEDERAL LABOR

Washington, May 9.—The Administration will forego periodic salary increases to Federal employes.

A White House spokesman declared the system will not only apply to the thousands of Federal employes in this city but throughout the country.

Government departments, under the law, may make gradual increases by advancing the standing of workers. Low-wage workers, by this method, are brought up to higher standards.

Senator Brookhart assailed the Administration's plan, which is, he declared, a violation of the spirit of Congress.

"The Administration is putting into practice the Wood amendment to appropriation bills at the last session, which provided that none of the money made available for the executive departments should be used to pay increases," said Senator Brookhart. The Iowa lawmaker pointed out that the Wood amendment was rejected by both branches of Congress, and, therefore, "it is clearly against the expressed will of Congress for heads of departments to apply it today."

"If Congress were in session now," continued Mr. Brookhart, "there would be no difficulty in getting through the Senate a resolution asking an investigation of this arbitrary dictum on the part of Government officials."

BUSINESS MEN DODGE TAKING WAGE STAND

Atlantic City, May 9.—The question of maintaining high wage standards or enforcing wage reductions was evaded by the annual convention of the Chamber of Commerce of the United States. The business men ignored Senator Couzens' challenge that they take a stand on this question.

Other economic problems received similar treatment. After nearly two years of depression, the nation's business men pleaded for further study, additional surveys and a greater test of experience. Not a single suggestion to end unemployment came out of this meeting.

Opposition to Federal income tax increases was recorded.

Julius H. Barnes, chairman of the chamber's board of directors, blamed politics for the present depression. Business leadership was exonerated and the responsibility was placed on the shoulders of wicked politicians.

Unemployment was casually referred to in an approved resolution which called for "a continued study of the possibilities of business and employment stabilization."

"This study," it was stated, "should include means for relieving such unemployment distress as may unavoidably occur from time to time."

A "rational program of production and distribution" to be initiated by business itself was favored.

Mr. Barnes called for removal of restrictions against private insurance companies entering the field of unemployment insurance, for the sale or lease of Muscle Shoals to private enterprise and denial of the use of government money to compete with private business.

BRITISH LAND TAX URGED BY WORKERS

London, England, May 9.—Nationalization of land through taxation is the revolutionary proposal submitted by Philip Snowden, Chancellor of the Exchequer.

"The right of the community to ownership of the land is paramount," declared the Labor Party's fiscal wizard. "If private individuals continue to possess a nominal claim to land they must pay a rate to the community for the enjoyment of it. They can not be permitted to enjoy the privilege to the detriment of the community.

"Land," continued the treasury head, "differs from all other commodities in various respects. Land was given to us by the Creator, not for the private use of the dukes. Restriction of freedom in the use of land is a restriction on human freedom.

"Under the use of land by arbitrary will, the owner enhances its price, raises rents, hampers industry and commercial development, and the increase of amenities. Every increase in population, every expansion in industry, every scientific development, every improvement in transport, every child that it born, increases the rent of land. Rent enters into the price of every article produced, into the cost of every public service."

Mr. Snowden said that the Lordship of Liverpool sold in 1634 for $2,250, whereas Liverpool sites now sell for more than $5,000,00 an acre.

"We are now asking the landlord," he added, "to render unto Caesar the things that are Caesar's."

"BUSINESS METHODS" NOT APPLIED IN P. O.

Chicago, May 9.—"Sound business methods" in the post office department, that is, how postmaster workers ask for improved conditions, do not seem to apply when officials of this department buy land in Chicago.

At a hearing by a United States Senate committee it developed that local municipal officials paid an average of $8 a square foot for land in this city. The Government paid to the same owners in the same vicinity location an average of $17 a quare foot.

An air rights site was bought by the Government for $17.50 a square foot. Experts testified that the site had a value of $8.65 a square foot.

The committee was told that the railroads will use this site, whose increased valuation will be the basis for future requests for increased rates.

Senator Blaine, chairman of the committee, said that when valuation of air rights in metropolitan centers is "jacked up" they become the basis for insistent demands on the part of the railroads for higher valuations on their property on the ground that they are entitled to a fair return on their investment. This will result in increased costs to the public.

WORKERS HANDICAPPED BY STATE REGULATION

Denver, May 9.—The State Industrial Commission law "denies a square deal to workers," declared Prof. J. M. Bramhall, of University of Colorado, at a meeting of social workers in this city.

The law empowers the commission to pass on the "legality" of workers ceasing employment. Wage demands, also, must be considered by the commission before workers may strike. This law, together with the anti-picketing statute, places labor at a disadvantage, said the educator. He insisted that the commission has too much power and that citizens of this State should re-examine the law from the standpoint of justice.

COMMUNISTS PROSPER IN DEPRESSION TIMES

Boston, May 9.—An American standard of living, old age pension laws and adequate retirement provisions to care for needy aged is the most effective resistance to Communist propagandists, said Congressman Fish in an address in this city.

The speaker struck at the root of social unrest and called for legislation dealing with unemployment. He said a vigorous effort should be made by Congress to assist the willing wage earners and that employers should be urged to maintain present wage rates.

Congressman Fish said he was not protesting against the form of government in Russia. "That is not a matter which concerns the American people," he said.

"We have no right to interfere with the kind of government set up in any foreign land, but we resent any alien interference with our own domestic institutions.

"There can be no possible basis of compromise between our republican form of government and communism. There is an irreconcilable conflict between Americanism and communism."

BOULDER DAM WAGES 50 CENTS FOR BASE

Washington, May 9.—The base price to be paid unskilled labor for the construction of Boulder Dam will be 50 cents an hour, Secretary of the Interior Wilbur was advised by the president of the contracting firm.

STATE COMPENSATION LOST

Boston, May 9.—Organized labor lost its fight in the State Legislature to have Massachusetts set up a State workmen's compensation fund. Private insurance companies were massed against the plan.

BRITISH LORDS WARNED; IS TORY SUBCOMMITTEE

London, England, May 9.—The historic feud between the House of Commons and the House of Lords has been stirred by the latter's refusal to approve a land allotment bill, passed by the House.

The bill, if made law, would permit the government to seize vast estates and divide them into small parcels which could be tilled by unemployed. The lords are charged with protecting playgrounds and fox-hunting areas for the landed gentry.

Premier MacDonald indicates that the old policy of appointing lords to offset conservative influence in the hereditary house will be abandoned, and that there is a possibility that the House of Lords, as an institution, will be wiped out. In a recent speech he declared that the upper house is a subcommittee of Tory headquarters.

SHERIFFS OF STATE CAN'T STOP PICKETS

Harrisburg, Pa., May 9.—Officious sheriffs in this State who would prohibit picketing by posting proclamations are acting without authority of law, according to a ruling by Attorney General Schnader.

The matter was referred to the official following a protest to Governor Pinchot by striking hosiery workers from the Mammoth Hosiery Mills at Stroudsburg.

WORLD IDLENESS GROWS

Washington, May 9.—Unemployment is increasing in most foreign countries, according to official figures received by the Federal Bureau of Labor Statistics.

In the majority of 25 countries, 22 of them European, the latest reports reveal new peaks in unemployment since May, 1929. These reports were issued largely in December and January, but some are for November and October. Two are as recent as February.

BOSS-CONTROLLED UNEMPLOYMENT INSURANCE

DEFEAT LABOR BILL

Boston, May 9.—The House rejected a bill that would improve working conditions of women engaged in the manufacture of leather and radios.

Machinery Causes Unemployment; High Wages, Not Charity, Urged

Denver, May 9.—Displacement by machinery, called "technological unemployment," presents a permanent problem of unemployment, said speakers at the Catholic Conference on Industrial Problems, held in this city.

Millions of workers have been displaced from the industry in which they were employed, asserted John L. Gross, secretary Colorado Federation of Labor. "These machines have increased production 250 per cent during the last 10 years.

"This system, which creates a permanent class of unemployed and at the same time increases production, has been largely responsible for the present depression," said the trade unionist, who insisted that workers must have a higher purchasing power.

"The inability of workers to consume the machine output produces a so-called overproduction. This causes curtailment of operations, thereby increasing unemployment."

Rev. John L. Mulroy, director of local Catholic charities, declared that charity is neither a remedy nor a preventative of unemployment. "It is a palliative, not a cure," he said.

Statistics which showed how charity has increased in this country since 1929 were presented by the clergyman. In 1929 there were $1,250,000 given by 145 agencies to 50,000 families. In 1930 these charity organizations were forced to care for 250,000 families at a cost of $5,000,000. This number increased in 1931 to approximately 500,000 families who were given charity aid.

E. T. Peters, president Colorado Manufacturers' Association, agreed that charity is no solution for present conditions, and that other policies must be adopted. He said the five-day week in all industries is but the first step in the solution.

"Unemployment insurance must be provided by a government-endowed fund that shall be contributed to by the State, the employer and the employe," he said.

Church Men Discuss Economic Ills; Service, Not Profit, Should Guide

New York, May 9.—The service motive should precede the profit motive in industry, declared Presbyterians in this city at a meeting called to discuss unemployment and other economic ills.

Prof. Broadus Mitchell of Johns Hopkins University, Baltimore, said: "We have made individual enterprise our economic monarch and he is on the point of abdication.

"We have relied upon the god of chance and to compensate for his gross errors we have had to create charity. Chance has given us, on the one hand, bursting granaries, and on the other hand, bread lines."

Prof. Mitchell said that the average business depression lasted 15 months and on that basis some believed the present conditions soon would become normal. Some depressions, however, continued for five years, he explained, saying there was no means of determining how much longer the present conditions would continue. Secretary of Commerce Lamont, in his address to the Chamber of Commerce at Atlantic City, Prof. Mitchell said, might well have concluded: "I don't know, I'm sorry, but I don't know anything about it."

The business man and the Government patterned in His image, in our present predicament, have no measures to propose," Prof. Mitchell. "Capital is mute, and the Secretary of Commerce professes complete agnosticism as to remedies. It is obvious that individual enterprise draws to a close."

James Myers, industrial secretary of the Federal Council of Churches, quoted the Standard Statistics Company in pointing out that the total of dividends paid by industrial, traction and railroad companies in 1930 was $318,600,000 more than in 1929, while the Federal Reserve Board's index of factory payrolls showed that total wage payments had decreased 20 per cent from the total paid in 1929.

COMPENSATION EVILS CHARGED BY HOSPITALS

New York, May 9.—Private insurance companies are guilty of excessive payments for hospital charges when workers are injured, according to testimony given by a State committee that is investigating the workmen's compensation law.

One committee said: "It would be interesting to know how much the hospitals would make on interest" on delayed payments from insurance companies. Patients are often transferred without the consent of hospital physicians to clinics operated by private insurance companies.

Injured workers are frequently discharged before they are capable of a day's work. This process means more profit to the private insurance carrier.

COMPENSATION LAW BARS WAGE CUTTERS

Denver, May 9.—The State Industrial Commission defeated two attempts of contractors in this city to reduce wages. Under the law changes in wage rates must be passed upon by the commission.

The State board declared that "reducing wages of labor will delay the return of better times and will not assist in any way in clearing up the present economic situation."

Contractors who would reduce wages of $2.50 a day were declared to "have forgotten something about human rights."

MOTOR RATE BILL VETOED

St. Paul, Minn., May 9.—Governor Floyd B. Olson vetoed a legislative bill that would compel motor trucks to increase rates to the level of railroad freight rates.

The purpose of the bill, said the Governor, "is to force common carriers out of business."

COMPENSATION FAVORED

Tallahassee, Fla., May 9.—The Florida Senate, by a 20-16 vote, passed a workmen's compensation law. The measure is now before the House.